

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PANAMA 06089 021401Z

46

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 SAB-01 ITC-01 SP-02

USIA-06 AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04

OMB-01 CEA-01 COME-00 L-03 CIAE-00 INR-07 NSAE-00

/071 W

----- 085542

PR 012210Z SEP 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 8969

INFO AMEMBASSY SAN JOSE

LIMITED OFFICIAL USE PANAMA 6089

SAN JOSE FOR AGATT

EO 11652: N/A

TAGS: EAGR, EPAP, ETRD, PN

SUBJECT: GOP REQUESTS INCREASE IN VRP ALLOCATION

1. EMBASSY HAS RECEIVED A DIRECT REQUEST FROM AGRICULTURE MINISTER PAREDES FOR AN INCREASE IN PANAMA'S ANNUAL ALLOCATION UNDER THE VOLUNTARY RESTRAINT PROGRAM (VRP) ON MEAT IMPORTS INTO THE US. THIS "EXTRAORDINARY" INCREASE TO 10 MILLION POUNDS ANNUALLY FOR THE PERIOD 1976-78 IS NECESSARY, ACCORDING TO THE MINISTER, TO DEAL WITH THE EFFECTS OF THE CONTINUING DROUGHT IN PANAMA'S CENTRAL PROVINCES, WHERE CATTLE MEN ARE BEING FORCED TO MARKET THEIR ANIMALS AT AN INCREASED RATE IN AN EFFORT TO EASE THE PRESSURE ON PARCHED PASTURE LANDS.

2. WE HAVE INDICATED TO PAREDES THAT WE ARE FORWARDING HIS REQUEST TO WASHINGTON WHERE IT WILL RECEIVE CAREFUL CONSIDERATION. MEANWHILE, THE EMBASSY WELCOMES THE INDICATION CONTAINED IN REFTEL#THAT A FINAL DECISION ON AUSTRALIAN MEAT SHIPPED BY PANAMA UNDER ITS VRP ALLOC-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PANAMA 06089 021401Z

ATION IS IMMINENT. MINISTER PAREDES WAS ASSURED THAT

USG WOULD PROVIDE A TIMELY RESOLUTION AS TO WHETHER THIS  
MEAN WOULD BE CHARGED TO PANAMA'S 1976 VRP ALLOCATION,  
AND THE INFORMATION WILL ASSIST THE GOP FOR PLANNING  
MEAT SHIPMENTS FOR THE BALANCE OF 1976.

3. EMBASSY HAS ALSO RECEIVED INFORMAL QUERIES FROM  
THE GOP AS TO THE AVAILABILITY OF THE WEEKLY US CUSTOMS  
STATISTICAL INFORMATION CONCERNING IMPORTS OF MEAT UNDER  
THE VRP FROM ALL SUPPLYING COUNTRIES. WE WOULD APPRECIATE  
RECEIVING THIS INFORMATION FOR DELIVERY TO THE GOP--  
A MUTUAL EXCHANGE OF DATA WOULD FACILITATE OUR MONITORING  
OF PANAMANIAN MEAT SHIPMENTS TO THE US.

4. COMMENT: THE GOP'S PERCEPTION OF UNFAIR TREATMENT IN  
THE SELECTION OF BASE YEARS FOR EXISTING VRP ALLOCATION  
LEVELS WILL BE STRENGTHENED BY THE PRESSURES FROM PANAMANIAN  
CATTLE MEN TO PROVIDE ADDITIONAL EXPORT OUTLETS FOR THEIR  
CONTINUING PRODUCTION SURPLUSES. DROUGHT-INDUCED SLAUGHTER  
FURTHER COMPLICATES THIS DIFFICULT SITUATION. EARLIER  
INDICATIONS THAT PRICE INCREASES AND REDUCED SLAUGHTER LEVELS  
IN THE US MIGHT OBLIVIATE THE NEED FOR A VRP IN 1977 HAVE DIS-  
APPEARED AS DOMESTIC CATTLE MEN, CAUGHT IN A SEVERE SQUEEZE  
BETWEEN HIGH OPERATING COSTS AND LOW BEEF PRICES, PRESS THE  
US DEPARTMENT OF AGRICULTURE TO TIGHTEN ITS CONTROLS  
ON MEAT IMPORTS INTO THE US. UNDER THESE CIRCUMSTANCES,  
THE PANAMANIANJS OFT-EXPRESSED HOPE THAT THEY WOULD BE  
ABLE TO ESCAPE THE 2.6 MILLION POUND STRANGLEHOLD IN 1977  
THROUGH THE ABSENCE OF THE VRP APPEARS TO HAVE LITTLE  
CHANCE OF FULFILLMENT. THE EMBASSY FEELS THAT SOME  
ACCOMMODATION TO THE GOP'S REQUEST FOR SPECIAL CONSIDER-  
ATION ON MEAT EXPORTS TO THE US DURING 1976-78 WOULD  
GO FAR TOWARDS SOLIDIFYING BILATERAL RELATIONS WITH THE  
GOP ON A NUMBER OF AGRICULTURAL MATTERS, INCLUDING OUR  
JOINT FIGHT AGAINST THE SPREAD OF AFTOSA. FAILURE TO  
MOVE BEYOND A PAT RECITATION OF THE BASE YEAR FORMULA'S  
INVOLABILITY IN ESTABLISHING VRP ALLOCATION LEVELS WILL  
LARGELY DISSIPATE THE ATMOSPHERE OF GOOD FEELING THAT  
WAS ESTABLISHED DURING PAREDES' MAY MEETING WITH SECRETARY  
BUTZ.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PANAMA 06089 021401Z

JORDEN

NOTE BY OC/T: #REFTEL OMITTED AS RECEIVED

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, MEATS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 SEP 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976PANAMA06089  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760333-0675  
**From:** PANAMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t197609101/aaaadjcr.tel  
**Line Count:** 110  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 JUL 2004 by ullricre>; APPROVED <27 OCT 2004 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOP REQUESTS INCREASE IN VRP ALLOCATION  
**TAGS:** EAGR, EPAP, ETRD, PN, US, (PAREDES, RUBEN DARIO)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006